

Success Story

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***ELF Wood Products used two SBA 7(a) Loans
to finance its expansion in recent years.
--Atlanta Firm has grown to \$3 million in annual sales--***

Michael Falkenhagen and his family partners got their first SBA 7(a) Loan in 2001 which allowed their company, ELF Wood Products Inc., to move from leased quarters to a 25,000 square-foot plant purchased in the Fulton Industrial area.

The company would experience strong growth at its first plant in the design and manufacture of wooden display units and other fixtures for convenience stores and large retail outlets. However, by early 2005, the company had out grown its facility and was forced to lease other space to accommodate its growing operations.

Falkenhagen turned to Mike Sherman at Cornerstone Bank for new financing to buy a larger plant. In March of last year, Cornerstone Bank provided a \$1 million 7(a) Loan for ELF Wood Products to buy a 60,000 square-foot plant in the same area.

“As a manufacturer, you are viewed and perceived by your customers with the equipment and space you have at your plant,” says Falkenhagen, Company President. “Our SBA loan brought our company to a higher level,” he added. “Our plant-equipment is now at a capacity that allows us to compete nationally.”

Falkenhagen, in fact, credits his latest SBA loan with helping his company land a new contract with a major furniture retailer in the Southeast. Other customers include Race Trac Petroleum, Velux sky lights and Miller-Zell, a large advertising agency. Their fixtures are used at Wal-Mart, Office-Depot and Lowe’s.



"Worker applies Plastic Edging on Display Shelf."

The small business executive says the Georgia Tech Office of Economic Development also helped him with various management problems and solutions over the past 10 years. Their assistance involved Human Resources, Marketing and Plant Layout.

Even though the company has been on a roll for the past decade, it wasn't that easy when Falkenhagen, his brother Robert, and former wife June started their company 17 years ago in Michael and June's home basement.

The business started out making wooden frames for commercial silk-screen printing. But later the company never got paid after delivering its new line of wood display products to the first customer. "We were fortunately, however, when that first customer introduced us to a key person at Georgia Pacific Corporation who was director of Marketing Services," said Falkenhagen.

Falkenhagen said the man liked them, their work, and gave ELF Wood Products enough business to keep going. "We were out of money by then, and living on credit cards," Falkenhagen remembered. "It would have been all over if it had not been for that business at Georgia Pacific."

Today, the company has some 30 employees and sales last year reached about \$3 million. Looking ahead, Falkenhagen says the company has enough space and production capacity to increase annual sales to over \$4 million before they will need additional plant space.

The company ownership remains with the same partners. Robert Falkenhagen, Vice President, is in charge of production and the former June Falkenhagen is a silent partner. As a Navy Corpsman, she was called to active duty in the Middle East in 1990 during the First Gulf War. Falkenhagen said her deployment put some hardships on the company because a portion of her civilian salary was helping finance ELF Wood Products at the time.

A native of Leesburg, Virginia, Falkenhagen served six years in the U.S. Navy. He is active with NASFM, the National Association of Store Fixture Manufacturers. His company has sponsored kids' baseball teams for their employees and last year produced over 100 birdhouse kits for Camp Hope, a summer children's camp operated by Mt. Bethel United Methodist Church.

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